

CITY OF WHITE SALMON
Klickitat County, Washington
January 1, 1992 Through December 31, 1993

Schedule Of Findings

1. City Policies Should Be Followed And Credit Not Loaned

In August 1994, the city mayor approved utility connections for a local real estate development prior to the city receiving payment of \$3,750 in water utility hook-up fees. Subsequently, in October 1994, the project developer paid these fees.

The city's established policy has been to require payment of hook-up fees prior to the making of a connection.

Article VIII, Section 8 of the *Constitution of the State of Washington* states in part:

No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm

The developer requested a delay in the payment of the hook-up fees to avoid interim financing so that they could proceed with the project.

The city has violated its policies and improperly loaned the amount of the utility hook-up fees to the developer.

We recommend that the city comply with city policies and not lend its credit.

2. Contracts And Leases Should Be Properly Administered

Our review of the city's administration of its contracts and leases disclosed the following:

- a. The city is not charging all of its Park Center building tenants in accordance with the square foot lease rate adopted by the city council.

We noted that for the last three years the South West Washington Health District has been allowed to pay a reduced per square foot rate resulting in an annual lease reduction of approximately \$1,400. This reduction was allowed as a part of a lease which expired in May 1993, in consideration of the district's painting of their space. The lease has not been renewed by the city and they continue to collect the reduced lease rate.

We also noted that the Soil Conservation District was charged the correct lease rate per square foot, however the previous mayor, Pat Schroder, approved charging the tenant for approximately 100 square feet less than they actually occupied. As a result the city received approximately \$1,000 less in lease revenues for 1992 and 1993 than they would have received had the appropriate square footage been used.

- b. In addition to the previously mentioned lease agreements, we also noted that the city has continued to operate under numerous contracts which have expired and were never signed.

The lack of timely lease renewals, and adherence to established lease rates, is a result of city officials not adequately monitoring the status of contracts and leases.

Operating with unsigned and expired contracts and leases could result in possible legalities, such as services, payments, and specific conditions not being binding to the parties of the agreements.

We recommend that city officials properly administer contract and lease agreements.